

**City of Lincoln Nebraska**  
**Police and Fire Pension**  
**Summary for 11/18/99 Advisory Committee Meeting**

**Members Present:** Dennis Duckworth, Al Berndt, Ross Hecht, Jim George, Aaron Drake.

**Members Absent:** Al McCray

**City Staff:** Georgia Glass, John Cripe, Paul Lutomski,

**Others:**

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Dennis Duckworth: Meeting is called to order.

Paul: Since meeting last we talked to the actuary Jim George recommended, Mr. Tom Lowman, of Bolton Offutt Donovan in Baltimore. Various options were discussed and a review costing in the range of \$2000 - \$3000 was agreed upon. Time was an issue. Mr. Lowman stated this was as much as he could do, given the November 18, 1999 deadline. On November 5, 1999 we sent an overnight letter and data (detailed in the letter) Our letter asked Mr. Lowman to provide 1) a written opinion regarding if the DROP cost estimates we received are reasonable, and 2) written ideas regarding how the design of the proposed DROP could be changed to be cost neutral.

On November 17, 1999 we received a fax from Mr. Lowman. In it he stated "We can say the cost estimates prepared by the plan's actuary do appear to be in a reasonable range." Given this confirmation of Gabriel Roeder's costs estimates we can put aside the issue of whether or not they are costing the DROP correctly.

They go on to state that "Since the DROP is only an option, from one perspective, any proposal would be better than none." They recommend paying the 13<sup>th</sup> check COLA during the DROP period as it is paid from a separate account, therefore having no direct DROP cost, and paying it will make the DROP more seamless and fair to employees, rather than a "take-away." We have discussed this and will pay the COLA during the 3 year DROP period.

We received the Alternative 6 blended rate. Last time it was estimated to be between 87% and 90%. The actual rate was 88%. We have not yet received the alternative 7 numbers from Gabriel Roeder. These are the DROP percents specific to Plan A, B and C individually to attain cost neutrality.

Discussion takes place regarding Mr. Lowman's letter, and alternative 6, and 7

Jim George states the Fire union members can not support any DROP percent other than 100%.

Dennis Duckworth states the Police have voted to accept the 88% DROP plan.

Ross Hecht: I make a motion to recommend alternative 6, the 88% DROP plan.

Al Berndt: Second.

After some discussion the motion is approved by Ross Hecht, Al Berndt, and Duckworth. Jim George and Aaron Drake vote no.

Dennis Duckworth asks about raising the minimum pension payment.

Aaron Drake makes a motion to research a floor amount and make the increase equitable for reduced annuity amounts due to taking a refund and as a proportion of 21 years of service.

Ross Hecht seconds the motion.

All members vote in favor of this research.

Meeting is adjourned.